

Prepared by:



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1101 Market Street, SP 3L
Chattanooga, Tennessee 37402-2801
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TVA TRACT NO. XSCBTS-1, S.1X

SPECIAL WARRANTY DEED

THIS INDENTURE, made and entered into as of the 17th day of April, 2009, by and between the UNITED STATES OF AMERICA (hereinafter sometimes referred to as "GRANTOR"), acting herein by and through its legal agent, the TENNESSEE VALLEY AUTHORITY (hereinafter sometimes referred to as "TVA"), a corporation created and existing under an Act of Congress known as the Tennessee Valley Authority Act of 1933, as amended, and SEVEN STATES SOUTHAVEN, LLC, a Delaware limited liability company (hereinafter sometimes referred to as "GRANTEE");

WITNESSETH

WHEREAS, GRANTOR, by virtue of Special Warranty Deed from Southaven Power, LLC, dated May 9, 2008, of record in Deed Book 584, page 267, Quitclaim Deed from Southaven Power, LLC, dated May 9, 2008, of record in Deed Book 584, page 284, Special Warranty Deed from Cogentrix Southaven Properties, LLC, dated May 9, 2008, of record in Deed Book 584, page 277, and Quitclaim Deed from Cogentrix Southaven Properties, LLC, dated May 9, 2008, of record in Deed Book 584, page 292, all in the office of the Chancery Court Clerk of DeSoto County, Mississippi (collectively the "Acquisition Deeds"), acquired fee simple ownership in and to Parcels 1 and 2, and certain easement rights over, under, and across Parcel 3, which parcels are more particularly described in Exhibit A and shown on Exhibit B, both of which are attached hereto and made a part hereof (TVA's property rights in Parcels 1, 2, and 3 collectively referred to herein as the "Property"); and

WHEREAS, GRANTOR acquired the Property subject to the option of Seven States Power Corporation and its designee (the "Designated Entity") and permitted assigns, as set forth in the Acquisition Deeds, to purchase up to a ninety percent (90%) undivided ownership share (the "Elected Percentage") in all Properties, improvements, easements, rights, titles, and interests previously conveyed to GRANTOR in said Acquisition Deeds (the "Option"); and

WHEREAS, Seven States Power Corporation and TVA entered into that certain Joint Ownership Agreement dated April 30, 2008 as amended and supplemented by Supp. No. 1 dated September 2, 2008, Supp. No. 2 dated September 30, 2008, and Supp. No. 3 dated of even date herewith (as so amended, the "Joint Ownership Agreement"); and

WHEREAS, by that certain notice letter from Seven States Power Corporation to TVA dated September 30, 2008, and that certain notice letter from GRANTEE to TVA dated April 10, 2009, and pursuant to the Option contained in the Acquisition Deeds, the Joint Ownership Agreement and the documents relating thereto, Seven States Power Corporation has exercised the Option so as to require GRANTOR to convey, in addition to that sixty-nine and sixty-nine one-hundredths percent (69.69%) undivided ownership interest, not subject to partition, conveyed by Special Warranty Deed delivered September 30, 2008, of record in Deed Book 594, page 475 in said Clerk's office (the "Prior Deed"), an additional twenty and thirty-one one-hundredths percent (20.31%) undivided ownership interest, not

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see copy

subject to partition, in the Property, and has designated Seven States Southaven, LLC, as the Designated Entity; and

WHEREAS, Seven States Southaven, LLC and TVA have entered into that certain Lease Agreement dated September 30, 2008, as amended by that certain First Amendment to Lease Agreement, dated as of even date herewith (as so amended, the "Lease");

NOW THEREFORE, for and in consideration of the mutual promises made in the Joint Ownership Agreement and the Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, GRANTOR, pursuant to the Option contained in the Acquisition Deeds, does hereby grant, bargain, sell, transfer, and convey to GRANTEE, subject to the provisions of the Joint Ownership Agreement and any revisions or supplements thereto, a twenty and thirty-one one-hundredths percent (20.31%) undivided ownership interest, not subject to partition, in the Property, as described in said Exhibit A.

By operation of this instrument and the Prior Deed, GRANTEE will possess a ninety percent (90%) undivided ownership interest, not subject to partition, in the Property, and GRANTOR will retain a ten percent (10%) undivided ownership interest, not subject to partition, in the Property.

GRANTOR, for itself, TVA, their successors and assigns, expressly reserves in, on, over, and across said Parcels 1 and 2, permanent easements and rights-of-way for purposes of entering at any time and from time to time and to erect, maintain, repair, rebuild, operate, and patrol lines of transmission line structures as GRANTOR deems necessary or useful for electric power transmission purposes, with wires and cables for electric power circuits and communication circuits, and all necessary appurtenances in, on, over, and across the easement area, together with the right to clear said easement area and keep the same clear of brush, trees, buildings (excluding existing buildings as of the date of the herein conveyance), signboards, billboards, and fire hazards; to destroy or otherwise dispose of such trees and brush; and to remove, destroy, or otherwise dispose of any trees, which in falling could come within ten (10) feet of any transmission line structure, conductor, or appurtenances thereto, provided, however, the location of said transmission lines shall be at sites mutually agreed to by GRANTEE and TVA.

This conveyance and its warranty is subject to any and all prior reservations and/or exceptions to oil, gas, and other minerals and rights incidental thereto and any and all restrictions, covenants, easements, rights-of-way, and other matters of record affecting the described property.

GRANTEE shall be responsible for all ad valorem taxes or special assessments which may be imposed upon the Property.

TO HAVE AND TO HOLD an undivided twenty and thirty-one one-hundredths percent (20.31%) interest in the Property together with all rights and appurtenances thereto belonging unto GRANTEE, its successors, and assigns forever.

And TVA does hereby covenant that the UNITED STATES OF AMERICA is seized and possessed of the Property; that TVA as legal agent of the UNITED STATES OF AMERICA is duly authorized to convey the same; that said land is free and clear of liens and encumbrances except as set forth herein; and that, subject to the conditions, reservations, restrictions, exceptions, and/or limitations contained herein, it will warrant and defend the title thereto against the lawful demands of all persons claiming by, through, or under the UNITED STATES OF AMERICA, but not further or otherwise.

IN WITNESS WHEREOF, the TENNESSEE VALLEY AUTHORITY, acting herein as legal agent of the UNITED STATES OF AMERICA, and being duly authorized to do so, has caused this instrument to be executed in the name of the UNITED STATES OF AMERICA by its duly authorized officer.

UNITED STATES OF AMERICA
By TENNESSEE VALLEY AUTHORITY,
its legal agent

By: 

DAISY A. SNIPES
Manager, Realty Services

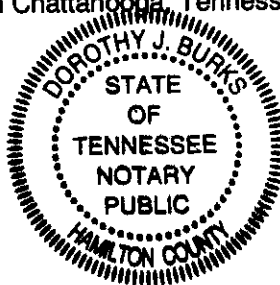
STATE OF TENNESSEE)
) SS
COUNTY OF HAMILTON)

On the 14th day of April, 2009, before me appeared DAISY A. SNIPES, to me personally known, who, being by me duly sworn, did say that she is the Manager, Realty Services, of the TENNESSEE VALLEY AUTHORITY, a corporation; and that said instrument was signed and delivered on behalf of said corporation, by authority of its Board of Directors, and as legal agent of the UNITED STATES OF AMERICA; and said DAISY A. SNIPES, acknowledged said instrument to be the free act and deed of the UNITED STATES OF AMERICA, as principal, and the TENNESSEE VALLEY AUTHORITY, as its legal agent.

WITNESS my hand and official seal of office in Chattanooga, Tennessee, the day and year aforesaid.


Notary Public

My Commission Expires: 3-3-2010



Name and address of Grantor:
United States of America
Tennessee Valley Authority
1101 Market Street, SP 3L
Chattanooga, Tennessee 37402
Telephone: (888) 817-5201

Address of Grantee:
Seven States Southaven, LLC
1206 South Broad Street
Chattanooga, Tennessee 37402
Telephone: (423) 756-6511

INDEXING INFORMATION: SW 1/4 of Section 15, T1S, R8W
 SE 1/4 of Section 16, T1S, R8W

EXHIBIT A
SOUTHAVEN COMBUSTION TURBINE SITE

Parcel 1 (Acquisition Tract SCBTS-1)

A parcel of land lying in the SW1/4 of Section 15 Township 1 South Range 8 West in Desoto County, State of Mississippi, being on the Southaven Combustion Turbine Site and at the intersection of Tulane Road and Stateline Road, as shown on US-TVA Drawing No. 112 MS 421 B 99(D) R.1 (formerly US-TVA Drawing No. 112 MS 422 B 100(D) R.0) and being more particularly described as follows:

Commencing at a concrete monument (found) (Coordinates: N. 275,703.11, E. 750,567.00), being NGS MON 153; thence S42°05'16"E, 13,353.72 feet to an angle iron (set) on the accepted Mississippi-Tennessee state line being corner No. SCBTS-1 and the Point of Beginning:

Thence leaving the point of beginning and said Mississippi-Tennessee state line S02°11'31"W, 1,100.72 feet to a rebar (found) in the northern right of way of Stateline Road, being corner No. SCBTS-2; thence continuing with said right of way for the following two calls; N87°47'07"W, 304.06 feet to a rebar (found), being corner No. SCBTS-3; thence N87°47'41"W, 104.99 feet to a (3/8") rebar (found), being corner No. SCBTS-6; thence leaving said right of way N02°12'24"E, 206.98 feet to a (3/8") rebar (found), being corner No. SCBTS-5; thence parallel with north right of way of Stateline Road N87°48'27"W, 1,260.36 feet to rebar with cap (found) and stamped "THY INC. #888" in the eastern right of way of Tulane Road, being corner No. SCBTS-7; thence with said right of way N02°15'03"E, 899.31 feet to a rebar with cap (found) on the accepted Mississippi-Tennessee state line, being corner No. SCBTS-8; thence leaving said right of way and with said state line S87°36'39"E, 1,668.44 feet to the point of beginning and containing 36.29 acres.

Located on VTM Quad Horn Lake, MS.

Positions of corners and directions of lines are referred to the Tennessee Lambert State Coordinate System and NAD 83 (2007) Horizontal Datum.

This description was prepared from an ALTA survey dated May 1, 2000 and a survey dated December 18, 2007 by:

Tennessee Valley Authority
MR 4B-C
Chattanooga, TN 37402-2801

Parcel 2 (Acquisition Tract SCBTS-2)

A parcel of land lying in the SE1/4 of Section 16 Township 1 South Range 8 West in Desoto County, State of Mississippi, being on the Southaven Combustion Turbine Site and at the intersection of Tulane Road and Stateline Road, as shown on US-TVA Drawing No. 112 MS 421 B 99(D) R.1 (formerly US-TVA Drawing No. 112 MS 422 B 100(D) R.0) and being more particularly described as follows:

Commencing at a concrete monument (found) (Coordinates: N. 275,703.11, E. 750,567.00), being NGS MON 153; thence S33°33'03"E, 12,943.26 feet to a rebar (found) in the west right of way of Tulane Road, being corner No. SCBTS-9 and the Point of Beginning:

Thence leaving the point of beginning and said right of way N87°55'13"W, 225.69 feet to a nail (60d) (found), being corner No. SCBTS-10;
 thence N87°42'13"W, 420.76 feet to a rebar without cap (found), being corner No. SCBTS-11;
 thence N02°36'46"E, 209.28 feet to a rebar without cap (found), being corner No. SCBTS-12;
 thence N87°28'38"W, 210.14 feet to an iron pipe (1.5") (found), being corner No. SCBTS-13;
 thence S02°13'39"W, 209.42 feet to a pin (found), being corner No. SCBTS-14;
 thence S02°43'42"W, 155.47 feet to a rebar with cap (found) in the north right of way of Stateline Road, being corner No. SCBTS-15;
 thence with road said right of way N87°43'40"W, 415.16 feet to a rebar (found), being corner No. SCBTS-16;
 thence N02°24'39"E, 673.73 feet to an iron pipe (1.5") (found), being corner No. SCBTS-17;
 thence S87°35'36"E, 434.83 feet to a rebar (found), being corner No. SCBTS-18;
 thence N02°19'08"E, 435.00 feet to a rebar (found) on the accepted Mississippi-Tennessee state line, being corner No. SCBTS-19;
 thence with said state line for the following calls:
 S87°35'34"E, 311.41 feet to an angle iron (set), being corner No. SCBTS-26;
 thence S87°35'28"E, 523.19 feet to an iron pipe (found) in the west right of way of Tulane Road, being Corner No. SCBTS-20;
 thence leaving said state line and with said road right of way S02°15'57"W, 206.15 feet to a rebar (found), being corner No. SCBTS-21;
 thence leaving said right of way N87°38'49"W, 158.80 feet to a rebar (found), being corner No. SCBTS-22;
 thence S02°07'35"W, 209.14 feet to an iron pipe (found), being corner No. SCBTS-23;
 thence S87°29'48"E, 158.20 feet to a rebar (found) in the western right of way of Tulane Road, being corner No. SCBTS-24;
 thence with said road right of way S02°15'14"W, 534.74 feet to the point of beginning and containing 23.14 acres.

Located on VTM Quad Horn Lake, MS.

Positions of corners and directions of lines are referred to the Tennessee Lambert State Coordinate System and NAD 83 (2007) Horizontal Datum.

This description was prepared from an ALTA survey dated May 1, 2000 and a survey dated December 18, 2007 by:

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Parcel 3 – Transmission Line Easement (Acquisition Tract SCBTS-4-TL)

An easement for transmission line purposes as described in that certain Transmission Line Easement dated November 21, 2000, between Entergy Mississippi, Inc. and Southaven Power, LLC, recorded December 8, 2000 in Deed Book 384, page 81 over, under and across a parcel of land lying in the SE1/4 of Section 16 Township 1 South Range 8 West in Desoto County, State of Mississippi, being on the Southaven Combustion Turbine Site, as shown on US-TVA Drawing No. 112 MS 421 B 99(D) R.1 (formerly 112 MS 422 B 100(D) R.0) and being more particularly described as follows:

Commencing at a concrete monument (found) (Coordinates: N. 275,703.11, E. 750,567.00), being NGS MON 153; thence S29°12'19"E, 12,075.19 feet to a point in the western line of tract SCBTS-2, being corner SCBTS-33 and the Point of Beginning:

Thence leaving the point of beginning and said western line of tract SCBTS-2 N89°54'39"W, 417.53 feet to a point, being corner No. SCBTS-34;
thence N44°04'03"W, 81.72 feet to a point, being corner No. SCBTS-35;
thence N45°55'57"E, 150.00 feet to a point, being corner No. SCBTS-36;
thence S44°04'03"E, 18.29 to a point, being Corner No. SCBTS-37;
thence S89°54'39"E, 360.18 to a point, being Corner No. SCBTS-38;
thence S02°24'35"W, 150.12 feet to the point of beginning and containing 1.51 acres.

Located on VTM Quad Horn Lake, MS.

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This description was prepared from an ALTA survey dated May 1, 2000 and a survey dated December 18, 2007 by:

Tennessee Valley Authority
MR 4B-C
Chattanooga, TN 37402-2801

SURVEYED	AJMB80	DATE	02-18-2008
COMPLETED	TLN	DATE	01-09-2008
CHECKED	DFS	DATE	05-08-2008

